

NEWS BRIEF

Provided by: Scout Benefits Group

Congress Passes \$480 Billion Coronavirus Relief Package

On Thursday, April 23, 2020, the U.S. House of Representatives voted on and passed the newest coronavirus aid bill, which includes funding for small businesses, hospitals and coronavirus testing. President Donald Trump signed the bill into law the following day.

What is included in the new bill?

The bill provides \$484 billion in total funding. Of those funds, \$320 billion would replenish the federal small business loan program, the Paycheck Protection Program (PPP), which ran out of funds last week. The PPP was initially created by the Coronavirus Aid, Relief and Economic Security (CARES) Act, and was designed to get cash in the hands of suffering small businesses quickly, with less stringent eligibility requirements than the existing SBA loan programs. PPP loans are designed to incentivize business owners to keep employees on their payroll.

In addition, \$60 billion will be added for small lenders and community banks. Those funds will be split to help federally insured lenders and community financial institutions.

The bill also adds \$10 billion for Economic Injury Disaster Loan grants. These grants are a “loan advance [that] will provide up to \$10,000 of economic relief to businesses that are currently experiencing temporary difficulties.” Small businesses will supposedly be able to receive funds within days of applying.

Finally, the bill includes \$75 billion in funding for hospitals and \$25 billion in COVID-19 testing.

“The PPP has supported more than 1.66 million small businesses and protected over 30 million jobs for hardworking Americans. With the additional funds appropriated by Congress, tens of millions of additional workers will benefit from this critical relief.”

- *Joint Statement by SBA Administrator Jovita Carranza and Treasury Secretary Steven Mnuchin*

What’s next?

Now that the bill has been signed into law, funds should become available shortly.

The SBA resumed accepting PPP applications from participating lenders Monday, April 27, 2020 at 10:30 a.m. ET.

Scout Benefits Group will continue to monitor this situation and provide updates as necessary.

